13 Regs-1

G. R. S. 58]

Previous references.
Jdc 6-18 (9-10, 13, 15-19, 21)

1924-5
Jdc

File No. 346-24
Serial Nos. 1-2

Later references.
J.S 17-26 (1-3)

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two.

Part B for April 25

SUBJECT

Scrutiny of the documents of the Companies by the Registrar of Joint Stock Companies

No. J.C. 6925 of 13-4-25

To

The Registrar of Joint Stock Companies,

States Govt. are not in favour of relieving the Registrar of the responsibility by amending the Notification of the 12th May 1919 as suggested by him.

(1

G. R. S. 11] 191

GENERAL AND REVENUE SECRETARIAT.

(91c)

NOTES.

File No. 346-24

FILE HEADING.

Scrutiny of the documents of the companies by the Regr of J. S. companies.

From

The Regr of J S companies

No.	Dated	Received
Diary No. 4485	Enclos. Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Requests that sanction of Govt may be obtained making the provisions of Rule No. 11 of the Rules issued under Notification no. 11002/91c-6-B-21 dated 12th May 1919, regarding the Scrutiny of documents of the companies by the Regr, less strict so that there may be no delay in registering companies and documents.

Regr N

NOTES AND ORDERS.

Vide copy of the Regulations

The Registrar represents that, though Section 24(2) of the Mysore Companies Regulation invests him with discretion to accept a declaration made by an Advocate, a Director, Manager or Secretary of a company as sufficient evidence of compliance with the requirements of law and register the Company

NOTES—First Sheet.

Serial No.

accordingly, Rule 11 issued under Notification of 12th may 1919 requires that the memorandum and Articles of Association etc. should be Scrutinised by him. He states that this Scrutiny and consequent rectification of the defects necessarily causes delay in the registration of Companies and moreover that it is not practicable to get through the examination of applications within a limited time with the office staff given to him. In these circumstances he requests that the provisions of Rule 11 of the Notification of 12th may 1919 may be made less strict.

Submitted for orders with the necessary references. The L. L. Secretary may perhaps be consulted in regard to the proposal of the Regr.

T. 31/11/3/25 See 24(2) of the Regln gives discretion to the Registrar to accept the declaration by the Advocate, Director, manager or Secretary of the Company, as sufficient evidence of compliance with the requirements of law in all matters connected with its registration - Rules 7-12 of the Notification seem to have been borrowed from the C.P. Rules. (Please see portion marked in Pp. 2. of the note in the file placed below 6-18. 14 C.)

H. The Ld. Secy may be consulted - for orders -

I 14/3

Ld. Secy 83/20-3 23/3 16/3

Serial No.

Para 11 of Note for dated 12th May 1919 imposes a wholesome duty on the Registrar of Joint Stock Companies to scrutinize the memorandum & articles of Association & other documents which are required to be forwarded to him by any registered Company before under the Scheme of the Company's Regulations, the position of Registrar is one of trust & responsibility. He is entrusted with the solemn duty of safeguarding the interest of shareholders ~~&c~~ In practice it is found that ~~any~~ individual shareholder or any member of the public has any effective voice in the control of affairs of a public Co, & that many bogus companies are floated with a view to defraud the innocent public, & that many of the Company promoters are adroit & ingenious, & invariably evades the spirit of provisions of law by ~~co~~ technically complying with provisions.

Even the important documents that are required by law to be mentioned in the prospectus are ~~deliberately~~ omitted to be mentioned

It is therefore the primary duty of the Registrar to scrutinize the documents before he issues a certificate of incorporation

Serial No.

This duty cannot be delegated to the Clerks etc,

Having regard to the facts that there are many companies floated in Mysore in a Strictly very responsible position occupied by the Registrar to safeguard the interest of the public, the Govt have rightly imposed the duty of scrutinizing the documents under para 11 of the notification. Any attempt to alter it will result in obtaining registration of companies who may not have entered into any legal transactions with outside world before its incorporation & whose affairs may not be aboveboard.

For the reasons I am not in favour of any change in the Notification

Revised with Compts

28-3

763/31-3

T. M.

28-3

Papers to be put up in accordance with opinion of L. L. Secy

31/3

NOTE—Contn. Sheet

5

7K File No. 546 of 19 24 | General and Revenue Secretariat.

Serial No.

Sent with a draft

SA 4/4 6.4.25 Fair copy as revised.

6.4.25

revised draft is sent.

31 7/4/25

In appn

7.4.25

Rev. Secy 10/4/25

209/9.4

Draft revised & copy

9/4 Pln

11/4

To The Registrar of J. S. Companies 2

J. C. 6925 dy 13.4.25.

With reference to sl. 1 I state that under the Mysore Companies Regulation the Registrar is entrusted with a certain amount of responsibility to safeguard the interest of the shareholders of the Company & and that Govt are not in favour of relieving the Registrar of the responsibility by amending the Notification of the 12th May 1919 as suggested by him.

'B'

31/15/4/25

GEN. & REV. SECRETARIAT
15 APR 1925
INDUSTRIES & COMMERCE BRANCH.

37289

6

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO NO. 1447 ENCL.

1447/1

Office of the Registrar of Joint Stock Companies in Mysore.

Dated, Bangalore....7....3.....192 5.

FROM

V. R. THYAGARAJA IYER, Esq., M.A.,

Registrar of Joint Stock Companies in Mysore.

To

K. V. Anantaraman, Esq., B.A.,

Secretary to the Government of His Highness

the Maharaja of Mysore, Revenue Department,

Bangalore.

Sir,

I & C 346-24-1

I have the honour to state that Section 24 (2) of the Mysore Companies Regulation, 1917 invests me with discretion to accept a declaration made by an Advocate, a Director, Manager or Secretary of a Company as sufficient evidence of compliance with the requirements of law and register the company accordingly; but this discretion has been completely taken away by Rule 11 of the Rules issued under Notification No. 11002-I&C.6-18-21 dated 12th May 1919 which requires that the Memorandum and Articles of Association and other documents should be scrutinised by me and that I should satisfy myself that they are in conformity with the provisions of the law. I have consulted the Rules of Madras and Bombay and have not found any corresponding Rule therein. I am informed by the Registrar of Joint Stock Companies in Bengal that no Rules have been made under Section 248 of the Indian Companies Act, 1913.

(2) Some of the company promoters represented to me that they would take full responsibility for everything contained in the Memorandum and Articles of Association etc., and that their companies might be registered on the strength of the declarations

7

i.e., certificates of incorporation might be granted if the declarations are found all right, as my examination and consequent rectification of the defects and the attestation of the rectification by all the signatories to the Memorandum and Articles of Association especially when their number is large and when they are scattered in different parts of India would involve some delay in the registration of companies and as the non-registration of some companies on a particular day - might be inconvenient to them. There is much force in this suggestion as it is but right that the company promoters who have to handle other people's money should take full responsibility for everything contained (or not contained in the documents that they file in this office.

(3) Moreover this office staff is very limited as it consists of one Head Clerk, one clerk and one Typist and even with the additional hand that I have proposed in my -- letter No. 1445 dated 7th March 1925 it may not be practicable to get through the examination of the papers of registration of companies and other papers within a limited time.

(4) For the above reasons, I have the honour to request that sanction of Government may kindly be obtained - making the provisions of the said Rule 11 less strict so that there may be no delay in registering companies and documents.

(5) I herein enclose for the information of -- Government a printed copy of the letter containing instructions about the registration of public companies meant for distribution among the company promoters.

I have the honour to be,
S i r ,
Your most obedient servant,

NPS.

REGISTRAR. 6/3/25
HR

8

No.....

OFFICE OF THE REGISTRAR OF
JOINT STOCK COMPANIES IN MYSORE.

Bangalore, Dated 192

FROM

THE REGISTRAR OF JOINT STOCK COMPANIES IN MYSORE,
BANGALORE.

To

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.....

.....

SIR,

With reference to your enquiry letter No.....dated..... I have the honour to invite your reference to Sections 5, 6, 9, 11, 17, 18, 19, 24, 83A and 84 of the Mysore Companies Regulation, 1917 and to state that the following documents are required to be filed in this office if a public company limited by shares is to be registered :—

(1) Memorandum of Association.

(2) Articles of Association.

(3) Consents in writing from persons who are willing to act as Directors.

(4) List of persons who have consented to be Directors.

(5) Declaration of compliance with the requirements of the law.

II. The Memorandum should be on 20 Rupees stamp paper and the Articles on Rupees 40. Both the documents are required to be signed by not less than 7 persons in the presence of one or more witnessess who must attest the signatures.

(2) The witnesses should be persons other than the signatories. They should also give their addresses and descriptions.

(3) The Articles of Association should be in print.

(4) The consents in writing from persons who are willing to act as Directors, the list of persons who have consented to act as Directors and the declaration of compliance with the requirements of law should be in the forms II, III and I respectively given in the Mysore Companies Rules, 1919. The declaration should be on one rupee eight annas stamp paper and be made before a person authorised to administer an oath or solemn affirmation.

III. If the persons named in the Articles of Association as Directors have not signed the Memorandum of Association for the number of qualification shares required for Directorship, they should file contracts in writing to take the qualification shares.

(2) The contracts should be in the prescribed Form XXV (Vide page 657 of the *Mysore Gazette* dated July 31st, 1919); and the contract from *each* Director should be on 10 annas stamp paper.

IV. The promoters may frame their own Articles of Association , but should they fail to do so, Table A of the Mysore Companies Regulation, 1917 will be deemed to be the Articles of Association.

(2) In all the cases where special Articles of Association are not framed the Memorandum should be on 60 Rupees stamp paper.

(3) The Declaration of compliance with the requirements of law where there are no special Articles of Association should be made by an Advocate (entitled to appear before the Chief Court) who is engaged in the formation of the company.

9

V. As regards the fee required for registering companies, reference may be made to Table B of the Mysore Companies Regulation. The fee should be paid to a Mysore Government Treasury [to be credited to the head, XXII-Industries and Commerce, 1. Fees for registration of companies] and the Treasury receipt sent to this office.

VI. The Company promoters are advised to file the notice of the situation of the registered office required by Section 72 of the Mysore Companies Regulation simultaneously with the papers necessary for registering a company. If they do not do so, they should at least file it immediately after the company is registered.

VII. Copies of the Mysore Companies Regulation 1917 and the Mysore Companies Rules, 1919, can be purchased at the Government Central Book Depot, Bangalore City.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar

Mono WD 1031—GPB—300—6-12-24.

App.F.VI-G1.]

10

SUBJECT

Diary No. of letter replied to

General and Revenue Secretariat
( )
, the 192

Date of issue 18/4/25

Signed by Mr V.V. Chennuji

Section 9+C
File No. 346-24
Seria No. 2.
No. I.C. 6925

To The Reg of J.S. Companies.

Sir,

With reference to your letter No. 1447 dated 7th March 1925, requesting that Sanction of Govt may be obtained making the provisions of Rule 11 of the Rules framed under Notification No. 11002/122c 6-18-21 dated 12th May 1919, Regarding the Scrutiny of documents of the Companies by the Reg, less strict so that there may be no delay in registering Companies Certificates, I am directed to state that under the Companies Regulation the Registrar holds a position of

flag 'A'

List of enclosures

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Examined by

over

4

trust and responsibility being entrusted with the ~~duties~~ duty of Safeguarding the interest of Shareholders. ~~In practice~~ It is generally in practice ~~it is~~ found that an individual Shareholder or any member of the public has any effective voice in the control of affairs of a company: and that many bogus companies are floated with a view to defraud the innocent public. ~~It is to guard against such malpractices~~ that para 11 of the notification of 12th May 1919 referred to above requires the Registrar

"to Scrutinise the memorandum and the articles of Association of any company applying for registration and the other documents which are required to be forwarded to him by any registered Company, before he issues certificate of incorporation; ~~it is therefore~~ and ~~Quite obvious that he has cannot thereby~~ can see no reason for relieving the Registrar of this responsibility by amending his note to 12th May 19 as suggested by you

It is well to keep in mind the interests of shareholders as well as the general public who generally have no effective voice in the control of affairs of a company that the Registrar is required to

be relaxed in view of this and of the fact that the number of companies floated in Mysore is a Single Year are not many, & that are no reasons for ordering any change in the notification of 12th May 1919.

8/4

8/4

Asst. Secy.

App.F.VI-G1.]

SUBJECT

Section Inc.
File No. 346-24
Seria No.

Diary No. of letter replied to

No.

General and Revenue Secretariat
( )
, the 192

To The Regr of J. S. Companies

Date of issue

Signed by

Sir,

With reference to your letter No. ~~4485~~ 1447 dated 7th March 1925, requesting that sanction of Govt may be obtained making the provisions of Rule 11 of the Rules issued under modification no. 11002/Regn 6-18-21 dated 12th May 1919, regarding the Scrutiny of documents of the Companies by the Regr, less strict so that there may be no delay in registering Companies and documents, I am directed to state that under the Companies

List of enclosures

Copied by

Examined by

~~over~~

Regulation the ~~position of the~~ Registrar holds a position of trust & responsibility, being

~~is of trust and responsibility and he is~~ entrusted with the solemn duty of Safeguarding the interest of Shareholders. (Para 11 of the Notification of 12th May 1919 Referred to above

accordingly
~~purposes, & wherefore duty of the~~
requires the

Reg[r] of Scrutinising the memorandum and the articles of Association of any Company applying for Registration and the other documents which are required to be forwarded to him by any registered

~~applicant~~ ~~is~~ ~~a~~ certificate of Incorporation
Company. ~~In view of the fact that~~ the number of companies floated in England in a single year are not many ~~and also~~ of the responsible position occupied by the Reg[r] to Safeguard the interests of the Public Govt are not in favour of ordering any change in the Notification of 12th May 1919. which empowers ~~on~~ the Registrar the duty of Scrutinising the documents Submitted by the Companies

In practice it is found that no individual Shareholder or any member of the public has any effective voice in the Control of affairs of a Company, and that Managers as Companies are floated with a view to defraud the innocent public. It is to guard against such malpractices that

It is therefore, quite obvious that the rule can not be relaxed in view of the fact

Thanks

Rev Secy

5/4/4